

# **Welcome to 2008 Spring Training!**

**Flexible Spending Accounts &  
Health Reimbursement Accounts**



# Flexible Spending Accounts (FSAs)

- Flexible Spending Accounts are offered under a Section 125 cafeteria plan and are a pre-tax benefit to employees. The Kentucky Employees Health Plan (KEHP) offers two types of FSAs:
  - Healthcare FSA
  - Dependent Care FSA



# Healthcare FSA

- **Healthcare FSA**
  - Employee contributions only
  - Pre-tax benefit that can be used for:
    - Prescriptions and OTC drugs
    - Co-payments
    - Deductibles
    - Eye glasses
    - Dental services
  - Employees **MUST ENROLL** every year  
Enrollment is **NOT** automatic



# Healthcare FSA

- Unused money is forfeited and does not carry over to the next year
- \$10 minimum monthly contribution
- \$5000 annual maximum contribution
- Employees have until March 31<sup>st</sup> of the following plan year to submit claims for the previous year



# Dependent Care FSA

- **Dependent Care FSA**
  - Employee contributions only
  - Employees MUST ENROLL every year  
Enrollment is NOT automatic
  - Pre tax benefit that can be used for
    - Day care services
    - Some adult day care services



# Dependent Care FSA

- Maximum employee contribution is based on tax-filing status
  - Single, Head-of-Household \$5000
  - Married, Filing Separately \$2500
  - Married, Filing Jointly \$5000
- Employees have until March 31<sup>st</sup> of the following plan year to submit claims for the previous year
- Unused money is forfeited



# Health Reimbursement Account (HRA)

- **HRA**

- Employer contribution only
- Unused money carries to next year\*
- Available for
  - Employees who waive health insurance
  - Employees who elect the Commonwealth Select Plan

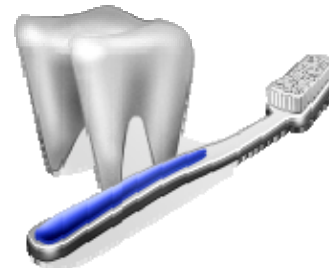
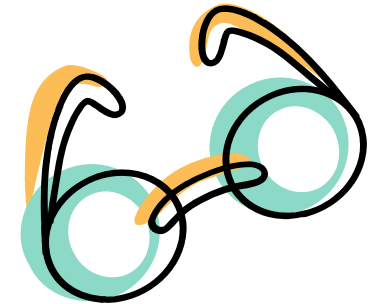
\* Must continue to elect the same Plan or continue to waive coverage and must not be retiring.



# Health Reimbursement Account (HRA)

- Employees who waive health insurance
  - \$2100 annual employer contribution\*
  - Can be used for:
    - OTC drugs
    - Co-payments
    - Deductibles
    - Eye glasses
    - Dental services

\* for participating agencies





# Health Reimbursement Account (HRA)

- **Employees who elect the Commonwealth Select Plan**

## **–PPO Consumer Driven Health Plan**

- Subject to a deductible and a maximum out-of-pocket
- All covered services are subject to co-insurance – including prescription drugs
- Preventive services are paid at 100%

***-And-***



# Health Reimbursement Account (HRA)

## –HRA funds

- Single level \$1000
- Parent plus and couple levels \$1500
- Family level \$2000
- Can be used to reduce deductible
- Unused money carries to next year\*
- Dental & vision cannot be used toward deductible

\* Must continue to elect the same Plan or continue to waive coverage and must not be retiring



# Claims Reimbursement

- **Paper Submission**

- Pay for services up front
- Submit copies of :
  - itemized statements &
  - completed FSA/HRA claim form to Humana via fax or mail



# Claims Reimbursement

- **Electronic Submission**
  - HumanaAccess<sup>SM</sup> VISA<sup>®</sup> Card\*
  - Pay for services with the swipe of a card
  - OTC drugs
  - No claim form necessary



\*not available for dependent care FSA



# Forms and Documents

## ***NEW FORM***

- **FSA Qualifying Event Change Form**
  - Specifically for healthcare and dependent care FSA changes which will allow an increase or decrease in an election

# Forms and Documents

2008 Change Form Rev 42908 - Microsoft Word

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Commonwealth of Kentucky  
Personnel Cabinet

Department for Employee Insurance  
Flexible Benefits Branch  
Phone: 502-564-0350  
Fax: 502-564-0364

KENTUCKY EMPLOYEES  
HEALTH PLAN

Flexible Spending Account  
Qualifying Event Change Form

This form is to be completed if you wish to increase or decrease your current healthcare or dependent care Flexible Spending Account election during the year. This form is only for those participating in the Kentucky Employees Health Plan.

Member's Social Security Number  
Cross-Reference (Check One)  
Company #

Member's Last Name  
Member's First Name  
M.I.

You must experience a Qualifying Event to be permitted to make a mid-year change to your current election. Qualifying Event Rules are in the Qualifying Event chart which is on our website at <http://kelp.ky.gov>. Qualifying Event Date: / /

Section Break (Continuous)

Qualifying Event (check one)

- Birth, Adoption or Placement for Adoption
- Marriage
- Divorce, Legal Separation, Annulment
- Death of Spouse
- Child ceases to be eligible under Plan
- Death of child
- Employee, spouse or dependent terminates employment
- Loss of coverage
- Judgment, decree or administrative order
- Employee, spouse or dependent loses entitlement to Medicare (A or B), Medicaid, KCHIP or any governmental group health insurance coverage
- Significant Cost Increase or Decrease for Dependent Care
- Spouse has different Open Enrollment period
- Military Leave/Leave Without Pay
- Other

\* Requires Supporting Documentation

Section Break (Continuous)

Healthcare Flexible Spending Accounts

I request to change my healthcare FSA election from: \$ per pay period to \$ per pay period

For a total calendar year\*\* contribution of \$

\*\* Calculate full calendar year amount (1/1-12/31)x

Minimum Contribution--\$5-per-pay-period  
Maximum Contribution--\$5000-calendar year

Dependent Care Flexible Spending Accounts

I request to change my dependent care FSA election from: \$ per pay period to \$ per pay period

For a total calendar year\*\* contribution of \$

\*\* Calculate full calendar year amount (1/1-12/31)x

Minimum Contribution--\$5-per-pay-period  
Maximum Contribution--based on tax filing status as checked

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# Forms and Documents

- **Over-the-Counter (OTC) List**
- **Qualifying Event Chart**
  - **Part of the Summary Plan Descriptions**
- **Handbook**
- **HRA/FSA Claim Form**

<http://personnel.ky.gov/benefits/dei/08fsahra.htm>



# Qualifying Events for Healthcare FSA

- **Qualifying Events which will allow an employee to start or to increase a Healthcare FSA**
  - Effective the first day of the month following the employee's signature date
    - Birth
    - Adoption and placement for adoption
    - Marriage
    - Loss of other coverage
    - Court or administrative order
    - Expiration of COBRA
    - Return from Leave without Pay
  - Effective the date of the event
    - Return from Military Leave





# Qualifying Events for Healthcare FSA

- **Qualifying Events which will allow an employee to stop or to decrease a Healthcare FSA**
  - Effective on the date of the event
    - Death
  - Effective on the last day of the month from employee's signature date
    - Gaining other coverage such as Medicare, Medicaid, TRICARE, etc.
  - Effective on the last day of the month of loss of eligibility
    - Divorce
    - Loss of dependent status
  - Effective on the last day worked
    - Begins LWOP
    - Begins Military Leave



# Qualifying Events for Dependent Care FSA

- **Qualifying Events which will allow an employee to start or to increase a Dependent Care FSA**
  - Effective on the first day of the month following the employee's signature date
    - Dependent is newly eligible to attend day care
    - Change in dependent's eligibility status



# Qualifying Events for Dependent Care FSA

- **Qualifying Events which will allow an employee to stop or to decrease a Dependent Care FSA**
  - Effective on the date of the event
    - Death
  - Effective on the last day of the month from the employee's signature date
    - Dependent no longer attends day care
    - Change in dependent's eligibility status



# Qualifying Events for HRA

- **Qualifying Events which will allow employee to terminate an HRA and enroll in a health insurance plan (*redirection allowed – employer contribution can be used toward health insurance*)**
  - Effective on the date of the event
    - Birth
    - Adoption and placement for adoption

***There is NO event that will allow an employee to terminate health insurance and receive an HRA***



# Qualifying Events for HRA

- **Qualifying Events which will allow an employee's HRA contributions to cease (for reasons other than enrolling in a health plan)**
  - Effective on the date of the event
    - Death
    - Starting Military Leave

# Flexible Benefits Branch

- **Debbie Fraley** ([debbie.fraley@ky.gov](mailto:debbie.fraley@ky.gov))
  - School Board web billing, questions and concerns
  - Agency Numbers 00155 through 00704
- **Jerry Jones** ([jerry.jones@ky.gov](mailto:jerry.jones@ky.gov))
  - School Board web billing, questions and concerns
  - Agency Numbers 00001 through 00152
  - Quasi Agencies
- **Hannah Stanfield** ([hannahj.stanfield@ky.gov](mailto:hannahj.stanfield@ky.gov))
  - State agency questions and concerns
- **Mae Green, Supervisor** ([mae.green@ky.gov](mailto:mae.green@ky.gov))
- **Donna Cordier, Branch Manager** ([donna.cordier@ky.gov](mailto:donna.cordier@ky.gov))



# Contact Information

- Humana Spending Account Administration  
P.O. Box 3967  
Louisville, KY 40201-3967  
800-604-6228  
Fax 800-905-1851
- Department for Employee Insurance  
Flexible Benefits Branch  
501 High Street – 2nd floor  
Frankfort, KY 40601  
502-564-0350, 502-564-0351  
502-564-0364 Fax



# Questions and Answers

**Any Questions?**

